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C O N F I D E N T I A L SECTION 01 OF 03 BISHKEK 000706

SIPDIS

FOR U/S BURNS FROM CHARGE LITZENBERGER

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TAGS: [PGOV](#) [PREL](#) [KG](#)

SUBJECT: SCENESETTER FOR UNDER SECRETARY BURNS' VISIT TO
KYRGYZSTAN

Classified By: Charge d'Affaires Lee Litzenberger, Reasons 1.4 (b) and (d).

11. (C) Embassy Bishkek warmly welcomes the visit of Under Secretary Burns, SCA A/S Blake, DASD Sedney, and NSC Senior Director McFaul to Bishkek o/a July 12. In recent years, Manas Air Base has been the central issue in the bilateral relationship. On June 9, President Obama wrote to President Bakiyev, acknowledging the important contribution of Kyrgyzstan by hosting operations at Manas, but also expressing his hope that the relationship between our countries will grow and expand in areas beyond security cooperation. President Obama further wrote that he hoped in the near future to send "senior representatives of my new Administration to explore concretely how we can expand and deepen all the dimensions of our bilateral relationship." On June 25, the Kyrgyz Parliament ratified the two agreements to establish the new Transit Center at Manas, but, despite making a public statement that the new arrangement was in Kyrgyzstan's national interest, President Bakiyev has delayed signing the agreements into law. Assuming that the Manas agreements enter into force, your visit will provide an opportunity to emphasize to the Kyrgyz the importance we place on our bilateral relationship, as well as to discuss expanding economic cooperation and investment, increasing exchanges, and promoting closer political ties. The President's letter resonated with the Kyrgyz, who hope that the Transit Center arrangement will usher in expanded economic and trade relations with the U.S.

12. (C) We have sent separate issue papers to cover Manas, the July 23 presidential election, and the state of civil society in Kyrgyzstan. Following is an overview of other key political, economic, and security issues.

POLITICAL OVERVIEW

13. (C) Since its independence nearly 18 years ago, Kyrgyzstan has been noteworthy for the relative openness of its political discourse and vibrancy of its civil society. Although still the leader in the region, Kyrgyzstan remains a fledgling democracy. It boasts a political opposition, an

independent press that occasionally criticizes the government, and credible freedoms of religion, speech and assembly. However, recent trends find the government dialing back on these basic rights.

¶4. (C) Over the past two years, President Bakiyev has moved to consolidate political power and to divide and suppress the opposition. A Bakiyev-proposed new version of the constitution, adopted through a flawed referendum in October 2007, strengthened the power of the presidency. Deeply flawed elections in December 2007 gave Bakiyev's new Ak Jol party control of the parliament, with only token representation from opposition parties.

¶5. (C) Since then, the government has pushed new legislation limiting public assemblies, regulating the content and language used in broadcast media, and restricting activities of religious groups. Opposition political parties face ongoing harassment, and the government actively uses criminal charges to threaten opposition leaders.

¶6. (C) Flush with Russian cash and concerns over winter energy shortages having passed, the Bakiyev administration arranged for a presidential election on July 23, one year ahead of schedule. With the opposition failing to unite behind a single candidate, and with vast administrative resources deployed on behalf of the incumbent, Bakiyev's re-election is a foregone conclusion. Following early threats to limit the number of international observers for the election, the government relented and has allowed a full

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OSCE/ODIHR Election Observation Mission.

ECONOMIC OVERVIEW

¶7. (C) Under Bakiyev, state budget expenditures -- including salaries and pensions -- have grown steadily, but poverty remains widespread. This year, Kyrgyzstan has benefited from significantly increased financial support from the international financial institutions and other donors. Most significantly, the Russian government has provided a \$150 million grant and a \$300 million low-interest loan. With much of its financial system isolated from global markets, Kyrgyzstan has weathered the effects of the global economic downturn relatively well. The IMF projects economic growth at only 0.9% for 2009, but inflation appears to be under control, after spiking to over 30% during 2008. There is concern, however, that the economic slowdown in Russia and Kazakhstan will affect workers' remittances, which amount to an estimated \$1 billion, or 20-25% of Kyrgyzstan's GDP, annually. (Russia and Kazakhstan provide jobs for nearly 1 million Kyrgyz workers, or over one third of the workforce.) In addition, pervasive corruption at all levels of government is a barrier to economic development, effective service provision, and foreign investment.

BORDER ISSUES

¶8. (C) The absence of demarcated and delineated borders between Kyrgyzstan and its Tajik and Uzbek neighbors fuels ongoing clashes between residents and each government's border services. In addition, the government is hyper-sensitive to the threat of Islamic separatism in the South. In May, IMU/IJU militants launched attacks on Uzbek security facilities on the Kyrgyz-Uzbek border, and an additional militant blew himself up outside a police station in Andijon. The Uzbek government claimed that these attacks were launched from Kyrgyz soil. In June, Kyrgyz security forces located and clashed with IMU/IJU militants linked to the May attacks in Uzbekistan in various villages in southern Kyrgyzstan, resulting in the deaths of nine militants and one police officer. In addition,

U.S. ASSISTANCE

¶9. (C) The U.S. has a range of active bilateral assistance programs, including IMET, FMF, EXBS, INL, and a Millennium Challenge Threshold Program. USAID is providing over \$20 million in assistance to Kyrgyzstan, with programs in economic growth, health care, education, and democracy and governance. The Kyrgyz government, however, is deeply suspicious of some democracy programming, believing that the U.S. uses these programs to fund the political opposition, destabilize the country, and foster "color revolutions." Government hardliners complain about the National Democratic Institute and other democracy implementers as being biased against the government and interfering with domestic politics.

MEETINGS WITH KYRGYZ OFFICIALS

¶10. (C) Although your visit falls on a weekend during the presidential election campaign, it is likely that the delegation will meet with President Bakiyev. In his June 24 response to President Obama's letter, Bakiyev welcomed the suggestion to send a "high-ranking delegation," and he hoped to "make more active Kyrgyz-American relations in the political, economic, trade, investment, and other fields of cooperation." Bakiyev is not likely to offer specific suggestions on how to enhance cooperation in these areas,

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however.

¶11. (C) Bakiyev is certain to raise his "Bishkek Initiative," a proposal to host an international conference on security and stability in the Central Asia region, including Afghanistan, for which he will be seeking U.S. support. Your expression of interest in at least hearing more details about how the Kyrgyz envision this initiative will please Bakiyev. If by the time of this meeting we have not delivered an update on the results of the investigation, Bakiyev is likely to raise the Ivanov shooting. Bakiyev can be expected to assert that democracy is flourishing under his rule and the upcoming election will be free and fair. He will want to focus prospectively, and will hope to hear from you ways to increase U.S. investment and how to open the way for Kyrgyz participation in reconstruction contracts in Afghanistan. He will also be listening for any hint of the possibility to meet with President Obama on the margins of UNGA, or, better yet, an invitation to Washington.

¶12. (C) The delegation will almost certainly meet with Foreign Minister Sarbayev. Sarbayev has been the key Kyrgyz government official dealing with the new Manas arrangements, and he engineered the strategy for rolling out the new agreements in parliament and for the public. Since assuming his post late January, Sarbayev has also shown an interest in maintaining strong bilateral relations, claiming he is defending against hardliners in the government who want to orient Kyrgyz policy exclusively toward Moscow.

¶13. (C) We look forward to briefing you on the latest developments after the delegation's arrival in Kyrgyzstan.
LITZENBERGER